

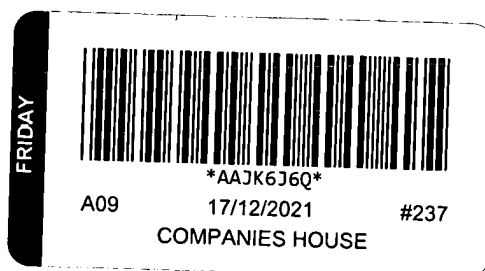
LYRIC THEATRE HAMMERSMITH LIMITED

(A Company Limited by Guarantee)

Registered Company No.1443809

Registered Charity No.278518

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



Lyric Theatre Hammersmith Limited
Trustees' Report
For the year ended 31 March 2021

The Trustees of the Lyric Theatre Hammersmith are pleased to present their report together with the financial statements for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Company Details

Registered Name: Lyric Theatre Hammersmith Limited

Registered Charity No.: 278518

Registered Company No.: 1443809

Registered Address: Lyric Hammersmith Theatre
Lyric Square
King Street
London W6 0QL

Chief Executive: Rachel O'Riordan

Advisers

Auditors: Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

Bankers: Barclays Bank
Knightsbridge Business Centre
PO Box 32014
London NW1 2ZG

Solicitors: Harbottle and Lewis
14 Hanover Square
London W1R 0BE

Farrer and Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Constitution

The Lyric Theatre Hammersmith is a registered charity and a company limited by guarantee, governed by its Memorandum and Articles of Association dated 14 August 1979 and last updated in 2004.

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STRATEGIC REPORT

Objectives

The objectives of the charity as set out in the Lyric's Memorandum and Articles of Association are:

- The advancement of the education of the public, and in particular of people living or working in the London Borough of Hammersmith and Fulham and in West London, in the arts
- The provision of facilities for recreation and other leisure time occupations for the public and in particular persons living and working in the London Borough of Hammersmith and Fulham.

Activities

ARTISTIC PROGRAMME 2020-21

After a successful launch of our new Artistic Director, Rachel O'Riordan's, first season starting with the critical & financial success of *A Doll's House* we were forced to close *Love, Love, Love* following strong reviews on March 2020 by the government lockdown announcement. We quickly introduced streamlining measures; our building closed (minimising overheads) and a skeleton staff remained working. Difficult decisions were made to cancel *Antigone*, our large-scale musical *Sammy*, pantomime, the Little Lyric programme of shows and all in-person Young Lyric activity.

Our artistic programme moved onto our digital platform and in May we digitally streamed *A Doll's House*, offered online masterclasses in directing and celebrated the 5th anniversary of our Rueben Foundation Wing via zoom.

Participating in BBC Radio's *Lockdown Theatre Festival* with *Love, Love, Love* in May was another opportunity to continue our digital artistic delivery. July 2020 was our 125th birthday and we were disappointed not to have been able to celebrate with a planned year programme of events and shows. However, thanks to the support of people from the Lyric's history we produced digital content used across our channels to celebrate the people, shows and achievements from our 125 years.

In November we filmed a bespoke version of our co-production with Pins & Needles Productions of *Raymond Briggs' Father Christmas* engaging successfully with family audiences nationwide in a digital partnership with Darwen Theatre, Oxford Playhouse, Tobacco Factory Theatres Bristol, and Wales Millennium Centre. This was the ninth year of this popular classic which we filmed in the main house and were delighted to distribute free tickets to local residents in Hammersmith.

Despite the November lockdown, the team continued to prepare for socially-distanced productions of *Iphigenia In Splott* by Gary Owen and *Sancho: An Act of Remembrance* by Paterson Joseph, announced in October, planned for January 2021. These shows were programmed for their low origination costs in order to minimise financial risk. This cautious approach mitigated the impact of the January 2021 lockdown which sadly forced their cancellation.

In December, we held an open Zoom call to seek participants aged 18-25 and living in West London to help create and perform in our first community production, *Heart of Hammersmith*.

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From January 2021 we began working with the participants in our community through *Heart of Hammersmith* rehearsals and we were delighted to be able to help participants in the post-pandemic healing process, and bring people of all ages together out of isolation.

While we began 2021 in lockdown with further enforced cancellations we were able to commission and begin our production of *Out West*, a trilogy of new monologues by Tanika Gupta, Simon Stephens and Roy Williams (which opened in June 2021). We also programmed family events in preparation for reopening with *Lyric Fest* (which took place in July 2021) and *The Very Hungry Caterpillar* to restart our Little Lyric programme for families.

YOUNG LYRIC 2020-21

Our commitment to support and nurture young people in our West London catchment area (the ten surrounding boroughs to Hammersmith & Fulham) continued throughout lockdown in 2020 via:

- Young Lyric facilitators remaining in pupil referral units to support particularly vulnerable young people during lockdown.
- *Stories from the Future* digital project, a series of plays written by primary school students and funded by the Greater London Authority as part of our continued support of local schools
- 'Acting Up' classes resumed again in January (online) for more than 500 participants per week.
- Our Young Lyric team ran the 'Lyric Line' regularly calling our members and targeted groups to check in on them and offer them support.
- Continuing our work with the Local Authority and local schools on the Local Cultural Education partnership (LCEP) via zoom.
- We waived the fee of our Young Lyric membership making it more accessible for young people in West London.
- Our *Letters from Lockdown* digital project engaged key workers' children to respond to the pandemic through creative writing, which was shown online and on the screen in Lyric Square through summer 2020.
- We led online classes in Theatre making and Directing during the autumn and four weeks of summer projects based on filmmaking.

We marked our 125th Birthday by launching 'Born in the Borough' – a commitment to provide 25 years of free arts opportunities to babies born in the theatre's home borough of Hammersmith & Fulham during the theatre's birthday year.

COMMUNITY & PARTNERSHIPS

The Young Lyric partnership is a vital element in our ability to engage and interact with our local community. In 2020-21 we continued to work with eight like-minded organisations to the benefit of people from all parts of our community.

The partners are: Action on Disability, Amici Dance Theatre, Dance West, Musiko Musika, New English Ballet Theatre, Tri-borough Music Hub, Turtle Key Arts and Zoo Nation.

As restrictions eased in September 2020 we reopened our building for partners, commercial tenants and higher education theatre students.

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For the year ended 31 March 2021

More than ever, during the Covid crisis we have aimed to be a resource and support for our West London community. We were able to offer this as a Hammersmith Food Bank host, donating catering supplies and collecting clothing for local charities.

DIVERSITY AND INCLUSION

In August 2020 we announced our 'Commitment to Change' to be an actively anti-racist organisation. Led by our CEO and Trustees, in consultation with current and past alumni and staff and supported by expert consultants, we have been overhauling our commitment to access and diversity organisation-wide with our 'Action Plan for Change' which is reviewed monthly at staff and Board level.

Progress includes:-

- recruitment of four new Board members (August 2021) to ensure our Board make up is truly representative of our audience, community and artists.
- appointment of new Associate Director and Literary Associate positions;
- a new Nominations Committee to lead trustee recruitment;
- ally partnership with Inc Arts;
- all staff participation in an Anti-Racism programme and unconscious bias training which will be offered to all future staff and freelancers;
- formation of a staff-led Diversity Development Group;
- current offer of Studio Residencies offering free space, bespoke Lyric staff support and resources for West London theatre companies led by ethnically diverse artists and theatre makers;
- formation of Young Lyric Associates;
- updating our Equality Policy (including diversifying our recruitment platforms) to support a target of 40% of people of colour (from 31%) & 9% disabled (from 5%) team representation. We are creating a career development programme for underrepresented groups which aims for management representation of people of colour to reach 20%, and creating pathways into technical roles.
- Our Young People's work prioritises 0-25 year olds with protected characteristics & disadvantaged backgrounds (20% of participants are from 10% of the most deprived wards and 75% from the most deprived 50%). 100% of classes offered cost £10 or less, with 20% bursary places for most classes. We will work with our disability-led partners to ensure intersectionality. 50%+ of our 'Next Generation' participants age 18-25 are people of colour.
- We are increasing access to our programmes through our updated accessible website, and audience diversity through relevant programming, data-informed marketing, accessible tickets and performances (caption/AD/BSL). 25% of all tickets will be £15 or less.
- Building on, and learning from, the demographic audience shift generated by Tanika Gupta's *A Doll's House* which increased audience membership of people of colour from 15% to 30%, we will programme a Black Lives Festival (*For the Culture: Celebrations of Blackness*) in 2022 celebrating Black success & amplifying Black History.

ENVIRONMENTAL SUSTAINABILITY

Our commitment to environmental sustainability has continued as we have navigated the lockdowns. In December 2020 we were delighted to be awarded Julie's Bicycle 5 Star Creative Green certification from arts and environment agency Julie's Bicycle for 2019/20, improving our score on the previous year.

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Once again, we achieved maximum scores for our environmental commitment and understanding and our total carbon footprint in 2019/2020 was 316 Tonnes CO₂e.

FUNDRAISING

The Trustees take their responsibilities under the Charities Act (Protection and Social Investment) Act 2016 seriously and have considered the implications of their activities.

Our Development Director leads a dedicated, permanent fundraising team who are supported by a (volunteer) Development Committee and overseen by our Board. No commercial fundraisers were contracted in 2020-21.

We have Fundraising, Ethics and Whistleblowing and Anti-Bribery policies in place outlining the standards and practices for all Lyric representatives to adhere to. We are a member of the Fundraising regulator and follow the Code of Fundraising Practice. In February 2021 we updated our Terms of Reference for our Development Committee members.

Our Board of Trustees are regularly updated on fundraising progress and the Fundraising Policy outlines the process for accepting and soliciting donations to ensure maximising fundraised income in accordance with our policies and the Code of Fundraising Practice. The Development Director and Executive Director have reviewed and monitored all fundraising activity in the financial year 2020-21 against these policies and can report that there has been no negligence. There have been no complaints to date about fundraising at the Lyric.

The Lyric has created Guidelines for Fundraising involving Vulnerable People to advise all Lyric representative involved in fundraising. The Lyric seeks to ensure that a supporter is equipped with the appropriate information in order to make an informed decision about donations, and where the Lyric has reason to believe that a donor may be experiencing vulnerable circumstances, we will not accept those donations at that time. The Lyric is fully compliant with GDPR legislation in how we use data and communicate with our database. Our Privacy Policy states how we use data in fundraising in order to ensure we are only soliciting gifts from those who are willing and able to support us.

Our ability to deliver our reopening plans has been underpinned by continued successful fundraising through emergency trusts and foundation grants and the Arts Council England Covid Recovery Fund.

Future plans

We have put in place a cautious return to all operations in line with government guidelines from spring 2021, with the plan to return to full audiences in the Main House from Autumn 2021.

We successfully reopened the theatre in June 2021 to a socially distanced audience with our production of *Out West*; this was followed by Little Lyric show *The Very Hungry Caterpillar* and our first large-scale community production *Heart of Hammersmith*. Our co-production with Chichester Festival Theatre, *The Beauty Queen of Leenane*, will be the first full run production in the Main House presented at full capacity, this will be followed by the postponed 2020 pantomime *Aladdin*.

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Trustees' Report

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Following the success of our summer Little Lyric show we plan to return to a programme of regular shows for under 8s from October Half Term in the Studio Theatre, including the 10th year of *Raymond Briggs' Father Christmas*.

Our plans are to open our 2022 season with a *For the Culture: Celebrations of Blackness* and new play *Running with Lions* written by Sian Carter in a co-production with Talawa Theatre Company. For the new 2022 season our commitment is to serve our community of West London with big stories that matter bringing exceptional talent to the Lyric.

From Autumn 2021 we returned to Young Lyric activity in the building including our classes, we plan to build and develop further our work for young people in West London through 2021-22 to build on the essential work from 2020-21 with a particular focus on pathways into the industry for under-represented groups across the theatre industry.

FINANCIAL REVIEW

FINANCIAL REVIEW

The group's total expenditure in 2020-21 was £2.9m. This was £4m less than our 2019-20 expenditure of £6.9m, due to the impact of the coronavirus pandemic on our charitable activities and the actions we took to reduce overheads while maintaining both the level of activity outlined above and the building itself. These actions included restructuring the staff team, sadly including a small number of redundancies, furloughing staff, and all staff working part-time and at reduced salaries for periods during the year, for which the Trustees are extremely grateful.

Total income for 2020-21 was £3.6m. Earned income from charitable activities was £3m less than in 2019-20 (£0.1m compared to £3.1m), and income from other trading activities was £1.1m less (£0.1m compared to £1.2m), both as a result of closing the theatre's operations during the pandemic.

Income from donations and grants towards charitable activities, however, was £1.6m higher than in 2019-20 (£3.2m compared to £1.6m) as a result of receiving £1.2m in coronavirus-related public funding, £0.3m from Trusts & Foundations towards aiding our recovery from the pandemic, and £0.1m of donations towards the Lyric Recovery Fund and the 'Save the Lyric' appeal. Public funding including £821k of restricted grants from the Coronavirus Job Retention Scheme towards furloughed staff and £377k from the government's Culture Recovery Fund towards supporting the theatre during closure.

The resulting net movement in funds for the year was an increase of £744k. However, this includes an increase of £786k in funds designated by the Trustees towards our Building Capital Reserve, Programme Development Fund and Re-opening Fund 2021, the latter a result of designating £565k unrestricted income received since March 2020 toward the costs of re-opening the theatre and to offset the low levels of charitable trading income expected during the recovery from the pandemic over the next two years.

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For the year ended 31 March 2021

RESERVES

At 31 March 2021 the group held total funds of £10,947,875, of which £8,229,693 are restricted funds comprising: £7,933,237 from capital projects represented by £7,823,103 net book value of the associated fixed assets and £110,134 cash; and £296,456 restricted grant income towards activities in 2021-22.

A total of £2,718,182 unrestricted funds includes £2,169,747 held as designated funds, comprising: £565,000 income received towards re-opening the building and resuming normal activities after the pandemic; £494,449 representing the net book value of fixed assets; and £1,110,298 held towards specific purposes as detailed in our reserves policy (below). The remaining unrestricted funds of £548,435 are general funds held as a contingency against unexpected income shortfalls, as per our reserves policy.

The Trustees Reserves Policy is to hold reserves as follows:

- A Building Capital Reserve to provide funds for essential replacement and renewal of equipment, fixtures and fittings and match funding for larger capital investment in the building in the next one to five years. The Trustees' initial assessment is that this fund should maintain a balance between £500,000 and £1,000,000, and it currently holds £660,000.
- A Building Emergency Reserve of at least £100,000 to provide funds for emergency repair and replacement of essential plant and equipment, against which we hold £100,000.
- Strategic Reserves of c.£350,000 to support the development over one to four years of the organisation's artistic programme (£200,000), work with young people (£100,000), business model (£25,000) and environmental sustainability (£25,000), against which we hold £350,298.
- At least three months of average staff and overhead expenses (in normal operating conditions), currently c.£700,000, against which we hold £548,435 general funds.

Our total reserves requirements are therefore £1,650,000 - £2,150,000, against which we held reserves of £1,658,733 (including general funds) at 31 March 2021.

From time to time the Trustees may designate additional funds to provide for investment in particular areas of strategic importance. In reviewing the required level of reserves the Trustees have taken account of the ongoing impact of the coronavirus pandemic and designated £565,000 towards re-opening the building and resuming normal activities across 2021 and 2022.

For more detailed analysis of our reserves see Notes 15-17 of the Financial Statements.

RISK MANAGEMENT

The company has a risk management strategy which including a Risk Register and a Crisis Management and Disaster Recovery Plan. The Register assesses the major risks faced by the company, and an outline of strategies to mitigate each risk and reduce its impact. The Register is regularly reviewed by the Finance & Resources Committee and specific risks brought to the attention of the Board.

The most significant risks that the company currently faces are:

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Trustees' Report

For the year ended 31 March 2021

Risk of the impact of the coronavirus pandemic on our operations

Although all businesses have been significantly affected by the coronavirus pandemic, theatres are particularly at risk due to the nature of the live performance experience, both for audiences and those involved in making work, which has a significant impact on all of our earned income streams. The Trustees considered a programme for 2021-22 that reduces this risk by not returning to full audiences in the Main House until Autumn 2022, and continuing to implement operational and staffing savings which reflect the reductions in activity.

Risks around income targets

As a publicly-funded theatre committed to the production and presentation of new and innovative work we face an inherent risk in the potential failure to reach box office targets. To manage this risk, we set realistic targets and reforecast annual budgets to take account of shows which under- or over-perform against these targets. We aim for a balanced programme and seek opportunities to maximise revenue wherever possible when a show is successful.

Prior to the pandemic we raised an increasingly significant amount of our total income from trusts, companies and individual donations, and from our commercial activity. We set realistic targets which are regularly monitored against confirmed income and we reforecast according to our performance in this area.

Risks around economic instability and generation of earned income

The potential for economic instability and recession following Brexit and the coronavirus pandemic may result in an increasingly challenging funding climate and a reduction in audiences' and businesses' spending power. We aim to mitigate this risk by maintaining strategic reserves which can be used to support ongoing work or new initiatives which we believe will be of benefit to our beneficiaries but which would not be viable without additional funding.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The group consists of the Lyric Theatre Hammersmith charity and two wholly-owned subsidiaries: Lyric Hammersmith Enterprises Limited and Lyric Hammersmith Worldwide Limited.

The charity is a Company Limited by Guarantee, the Trustees of the charity being the Directors of the Company, governed by its Memorandum and Articles of Association.

Board of Trustees

The Articles of Association require that the Board comprise between ten and sixteen members as follows:

- up to four persons nominated by the London Borough of Hammersmith and Fulham who hold current office as Councillors of the Borough
- up to eight persons who in the opinion of the Directors are specially qualified for such office by virtue of their particular expertise or experience in the promotion or encouragement of the lively arts and or theatre management, of which up to four persons the Directors will endeavour to nominate from the local community; and
- up to four persons who in the opinion of the Directors are specially qualified for such office by virtue of their particular involvement engagement or employment in or with the community or voluntary sectors or other local organisation or group within the Borough.

Lyric Theatre Hammersmith Limited
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Board Members are required to retire at the first Annual General Meeting after the third anniversary of their appointment. Board Members may be re-appointed unless they have served for more than six consecutive years (except by Special Resolution).

The Trustees who have served since 1 April 2020 are:

Lisa Burger (Chair)
David Sharkey (Deputy Chair)
Rondette Amoy Smith (*from 6 September 2021*)
Sade Banks (*to 28 September 2020*)
Councillor Jonathan Caleb-Landy
Lameya Chaudhury (*from 6 September 2021*)
Liz Elston Mayhew
Councillor Sue Fennimore
David Grieg (*from 10 December 2020*)
Farah Karim-Cooper (*from 6 September 2021*)
Councillor Bora Kwon
Kamran Mallick
Julie Molloy
Councillor Patricia Quigley
Derek Richards (*from 25 October 2021*)

Observers may also attend Board meetings, subject to the approval of the Board, as representatives of the London Borough of Hammersmith & Fulham, Arts Council England, and the company's employees.

The Board met six times during the year in order to oversee the direction of the company, the day to day management of which is delegated to the Executive Team (comprising the Artistic Director and Executive Director) within terms agreed by the Board.

The Trustees are exceptionally grateful to Lisa Burger, whose term as Chair of the Board comes to an end in January 2022. A new Chair is being sought through an open recruitment process led by the Nominations Committee (see below), and with the assistance of external consultants Green Park, between October 2021 and January 2022.

Recruitment, induction and training of Trustees

The Nominations Committee (see below) oversees the recruitment, induction and training of Trustees.

The Committee worked with BAME Recruitment in 2021 to identify four new Trustees through a process of open advertisements and interviews in order to maintain a broad range of skills reflecting the various different aspects of the charity's work and business needs and to ensure that appointments reflected contemporary society and the theatre's local community.

All new Trustees are provided with an induction pack and paired with an existing Trustee to assist with their induction. Ongoing training is provided by inviting Trustees to attend relevant courses.

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Trustees' Report

For the year ended 31 March 2021

Committees

A Finance & Resources Committee, comprising at least three Board members and reporting to the Board, meets prior to Board meetings in order to oversee the company's finances, building and HR matters. The members of the Committee during 2020-21 were:

David Sharkey (Chair)
Sade Banks (*to 28 September 2020*)
Lisa Burger
Julie Molloy

A Nominations Committee, comprising at least three Board members, was formed in 2020 to make recommendations to the Board regarding the structure, size and composition of the Board, and to plan for the recruitment, appointment, induction and succession of Board members. During 2020-21 the Committee focused on the skills and diversity of the Board, working with consultants BAME Recruitment on an open recruitment process leading to four new Trustees being appointed in Autumn 2021. Alongside this the Committee began planning the succession process for the Chair of the Board (see above). The members of the Committee during 2020-21 were:

Lisa Burger (*Chair to 10 December 2020*)
David Sharkey (*Chair from 10 December 2020*)
Liz Elston Mayhew
Councillor Bora Kwon

Related parties

The Lyric Theatre Hammersmith's core funders are Arts Council England and the London Borough of Hammersmith and Fulham, who provide funding to enable the company to carry out its charitable activities.

The London Borough of Hammersmith and Fulham is also the theatre's landlord. The freehold of the Lyric is owned by Ingka, who lease it to the Borough on a 999 year term. A new 125 year lease was signed in November 2018, which was drawn up as part of the Agreement to develop the site with the freeholder and the theatre's landlord.

The Lyric Theatre Hammersmith has two wholly-owned subsidiaries:

- Lyric Hammersmith Enterprises Limited, which was established to operate the events, bar and catering facilities of the theatre. The profits of the subsidiary are donated to the Lyric.
- Lyric Hammersmith Worldwide Limited, which was originally established for the transfer of Lyric productions to the West End and any commercial exploitation of work and is now used as the vehicle to produce all Lyric productions and co-productions, maximising the benefit of theatre production tax relief. Any profits of the subsidiary are donated to the Lyric.

Remuneration Policy

The Board of Trustees do not receive any remuneration.

Remuneration for the Executive Team is considered by the Chair and Deputy Chair, and for other key management personnel is set with reference to benchmarking of pay and benefits for similar subsidised organisations. Annual pay increments are considered by the Finance & Resources Committee as part of its regular monitoring of budgets and approved by the Board.

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Trustees' Report
For the year ended 31 March 2021

ACKNOWLEDGEMENTS

This year has been one of the most challenging in our 125 year history. We have been able to survive with the support of our Trustees, our incredible team, our funders, Young Lyric partners and the people of West London. We are very grateful to them all.

Lyric Theatre Hammersmith Limited
Trustees' Report
For the year ended 31 March 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES
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The Trustees (who are also directors of Lyric Theatre Hammersmith Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

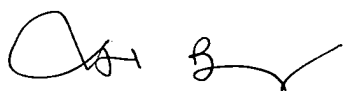
AUDIT INFORMATION

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

APPROVAL

The Trustees' Annual Report was approved by the Board of Trustees (in their capacity as Company Directors) on 1 December 2021.



Lisa Burger, Director

Lyric Theatre Hammersmith Limited
Independent Auditor's Report to the Members
For the year ended 31 March 2021

Opinion

We have audited the financial statements of Lyric Theatre Hammersmith Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash flow statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information

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Independent Auditor's Report to the Members
For the year ended 31 March 2021

and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

Lyric Theatre Hammersmith Limited
Independent Auditor's Report to the Members
For the year ended 31 March 2021

trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and

Lyric Theatre Hammersmith Limited
Independent Auditor's Report to the Members
For the year ended 31 March 2021

regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Cara Turlington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: *16 December 2021*

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Lyric Theatre Hammersmith Limited
Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2021

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:						
Donations	3(a)	206,298	-	-	206,298	148,907
Charitable activities						
Theatre & Young						
People's Activity	2	118,059	-	-	118,059	3,058,143
Grants	3(b)	1,514,764	-	1,678,247	3,193,011	1,631,193
Other trading activities	4	118,133	-	-	118,133	1,225,075
Interest received		2,135	-	-	2,135	7,601
Total income		1,959,389	-	1,678,247	3,637,636	6,070,919
Expenditure on:						
Raising funds	6	478,329	-	-	478,329	1,478,857
Charitable activities	7	514,549	89,025	1,817,922	2,421,496	5,452,686
Total expenditure		992,878	89,025	1,817,922	2,899,825	6,931,543
Net income/(expenditure)						
before taxation		966,511	(89,025)	(139,675)	737,811	(860,624)
Taxation	9	6,145	-	-	6,145	257,829
Transfers between funds	15,16	(852,703)	875,178	(22,475)	-	-
Net movement in funds		119,953	786,153	(162,150)	743,956	(602,795)
Reconciliation of funds:						
Total funds brought forward		428,482	1,383,594	8,391,843	10,203,919	10,806,714
Total funds carried forward		548,435	2,169,747	8,229,693	10,947,875	10,203,919

These results derive from continuing activities and all gains and losses recognised in the year are included in the above statement.

The notes on pages 20 to 32 form part of the financial statements.

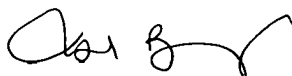
Lyric Theatre Hammersmith Limited
Registered Company No.1443809
Balance Sheet
For the year ended 31 March 2021

	Note	2021 £	Group 2020 £	2021 £	Company 2020 £
Fixed assets:					
Tangible fixed assets	11	8,317,552	8,842,707	8,317,552	8,842,707
Investments	12	-	-	3	3
Total fixed assets		<u>8,317,552</u>	<u>8,842,707</u>	<u>8,317,555</u>	<u>8,842,710</u>
Current assets:					
Stock and work in progress		66,536	44,082	61,876	32,993
Debtors	13	240,977	516,337	5170,663	757,794
Cash at bank and in hand		<u>2,947,588</u>	<u>1,726,423</u>	<u>2,641,870</u>	<u>1,405,559</u>
Total current assets		<u>3,255,101</u>	<u>2,286,842</u>	<u>3,221,409</u>	<u>2,196,346</u>
Liabilities:					
Creditors: Amounts falling due within one year	14	(624,778)	(925,630)	(591,089)	(835,137)
Net current assets		<u>2,630,323</u>	<u>1,361,212</u>	<u>2,630,320</u>	<u>1,361,209</u>
Total net assets		<u>10,947,875</u>	<u>10,203,919</u>	<u>10,947,875</u>	<u>10,203,919</u>
The funds of the charity:					
Restricted funds	15	<u>8,229,693</u>	<u>8,391,843</u>	<u>8,229,693</u>	<u>8,391,843</u>
Unrestricted funds:					
Designated funds	16	2,169,747	1,383,594	2,169,747	1,383,594
General funds	16	<u>548,435</u>	<u>428,482</u>	<u>548,435</u>	<u>428,482</u>
Total unrestricted funds		<u>2,718,182</u>	<u>1,812,076</u>	<u>2,718,182</u>	<u>1,812,076</u>
Total funds		<u>10,947,875</u>	<u>10,203,919</u>	<u>10,947,875</u>	<u>10,203,919</u>

No separate company Statement of Financial Activities (SoFA) has been prepared by the company, as permitted by Section 408 of the Companies Act 2006. The Charity's net surplus/deficit for the year, excluding restricted funds, was a surplus of £957,170 (2020: deficit of £136,933).

The notes on pages 20 to 32 form part of the financial statements.

The financial statements were approved by the board and authorised for issue and signed on 1 December 2021.



Lisa Burger, Director

Lyric Theatre Hammersmith Limited
Consolidated Statement of Cash Flows
For the year ended 31 March 2021

Consolidated statement of cash flows

	2021 £	2021 £	2020 £	2020 £
Net cash provided by operating activities		1,219,030		132,852
Cash flows from investing activities:				
Interest received	2,135		7,601	
Purchase of tangible fixed assets	-		(36,594)	
Net cash provided by investment activities		2,135		(28,993)
Increase in cash		1,221,165		103,859
Opening cash balance at 1 April		1,726,423		1,622,564
Closing cash balance at 31 March		<u>2,947,588</u>		<u>1,726,423</u>

Reconciliation of net income/expenditure to net cash flow from operating activities

	2021 £	2021 £	2020 £	2020 £
Net income/(expenditure)		743,956		(602,795)
Adjustments for:				
Depreciation charges		525,155		525,341
Interest received		(2,135)		(7,601)
(Increase)/decrease in stock and work in progress		(22,454)		121,596
Decrease in debtors		275,360		370,365
Decrease in creditors		(300,852)		(274,054)
Net cash provided by operating activities		<u>1,219,030</u>		<u>132,852</u>

Analysis of changes in cash and changes in net debt

	At 1 April 2020 £	Cash flow £	At 31 March 2021 £
Cash at bank and in hand	1,726,423	1,221,165	2,947,588
	<u>1,726,423</u>	<u>1,221,165</u>	<u>2,947,588</u>

The notes on pages 20 to 32 form part of the financial statements.

Lyric Theatre Hammersmith Limited

Notes to the Financial Statements

For the year ended 31 March 2021

1. Accounting policies

Company status

The charity is a company limited by guarantee, registered in England and Wales. The registered office is Lyric Theatre, King Street, Hammersmith, London, W6 0QL. The members of the company have served as directors or are currently serving as directors as named on pages 8-9. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Basis of accounting

The financial statements have been prepared under the historical cost convention. The accounts (financial statements) have been prepared in accordance with the second edition of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1st January 2019.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

Consolidation

The SOFA and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

Going concern

At the time of approving the financial statements the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which are not designated for other purposes.

Designated funds comprise unrestricted funds set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Transfers between funds are made at the discretion of the Board.

Income

Income from theatre admission fees is included in incoming resources in the period in which the relevant performance takes place. Where a series of productions straddles the end of the accounting period the income is recognised in the period in which the majority of the performances take place. Income related to productions or lettings in a subsequent period is treated as deferred income.

Income from commercial activities is included in the period in which the activity takes place.

Income from donations and grants, including capital grants, is included in incoming resources when there is entitlement, reasonable certainty of receipt and the amount can be measured with sufficient reliability, unless the donor has specified that the donation or grant relates to a future period or that certain pre-conditions must be fulfilled before use. In these cases amounts received are recognised in the relevant period or when the pre-

Lyric Theatre Hammersmith Limited

Notes to the Financial Statements

For the year ended 31 March 2021

conditions have been met and until then treated as deferred income. Donations and grants for particular purposes are included in incoming resources as restricted funds.

Income from the Coronavirus Job Retention Scheme (CJRS) has been included in incoming resources as a restricted fund, matched against the staff costs it has offset.

Gifts in kind have been realised at cost.

Expenditure

Expenditure is recognised when a liability is incurred.

- Costs of raising funds are those costs incurred in attracting donations and those incurred in the operation of trading activities that raise funds.
- Charitable activities include expenditure associated with the operation of the theatre and such directly associated activities as touring and educational programmes. Cost of charitable activities include both the direct cost of activities and related support costs.
- Support costs include central functions and have been allocated to activity costs on a basis consistent with the use of resources. This is on the basis of the relative proportion of direct costs incurred.
- Governance costs are the costs incurred in the governance of the charity and associated constitutional and statutory requirements. These costs are allocated between the charitable activities.

Where performances of a production straddle the balance sheet date, production costs are allocated to the period in which the greater number of performances fall, this matches the allocation of income related to productions.

Tangible fixed assets

Individual fixed assets consisting of amounts greater than £2,500 for IT purchases and £5,000 for fixtures, fittings and equipment with a useful life in excess of one year are capitalised at cost. Tangible fixed assets are depreciated over their anticipated useful lives in equal instalments. The periods used are:

Leasehold improvements	the life of the lease
Reuben Foundation Wing improvements	20 years
Roof Garden	12 years
Efficiency improvements	10 years
Technical equipment	8 years
Computer equipment	3 years
Other	4 years

Investments

The Statement of Recommended Practice requires investments to be stated at market value. The investments of the Lyric Theatre Hammersmith consist of two subsidiaries, Lyric Hammersmith Enterprises Limited and Lyric Hammersmith Worldwide Limited. Both companies are not quoted and the directors consider it appropriate to include the investments at cost.

Financial Instruments

Financial assets are recognised in the Charity's statement of financial position when the Charity becomes party to the contractual provisions of the instrument. The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using

Lyric Theatre Hammersmith Limited

Notes to the Financial Statements

For the year ended 31 March 2021

the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through the statement of financial activities are measured at fair value.

Other financial assets

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through the statement of financial activities are measured at fair value.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expenses recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

De-recognition of financial liabilities

Financial liabilities are de-recognised when, and only when, the Charity obligations are discharged, cancelled, or they expire.

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2021

2. Income from charitable activities

	2021 £	2020 £
Ticket sales	16,512	2,382,904
Touring income	21,500	93,593
Co-production income	17,144	258,863
Royalties income	6,589	24,260
Front of House sales	(20)	88,069
Income from partners	29,173	94,695
Young People's income	20,146	89,304
Other income	7,015	26,455
	<u>118,059</u>	<u>3,058,143</u>

3. (a) Income from donations

	2021 £	2020 £
Total income from donations	<u>206,298</u>	<u>148,907</u>

No income from donations was restricted (2020: £268).

(b) Income from charitable activities: grants

	2021 £	2020 £
Public funding:		
<i>Core funding:</i>		
Arts Council England – National Portfolio Organisation funding	1,120,240	1,100,000
London Borough of Hammersmith & Fulham – 3 rd Sector Investment Funding	230,000	230,000
<i>Coronavirus-related funding:</i>		
Coronavirus Job Retention Scheme grants (restricted)	820,840	29,965
Culture Recovery Fund grant (restricted)	377,361	-
Local Restrictions Support Grants	15,524	-
Closed Business Lockdown Payment	9,000	-
Trusts & Foundations		
<i>Restricted grants:</i>		
Young People's Programme activities	286,056	241,228
Theatre productions activities	193,990	30,000
Unrestricted grants	<u>140,000</u>	<u>-</u>
Total income from charitable activities: grants	<u>3,193,011</u>	<u>1,631,193</u>

Included in note 3 above are government grants of £230,000 from the London Borough of Hammersmith & Fulham (2020: £230,000), £820,840 from the Coronavirus Job Retention Scheme (2020: £29,965), Local Restrictions Support Grants of £15,524 (2020: nil) and the Closed Business Lockdown Payment of £9,000 (2020: nil).

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2021

4. Income from other trading activities

	2021 £	2020 £
Fundraising events	3,752	157,045
Corporate fundraising	38,057	109,984
Commercial trading operations (note 5)	76,324	958,046
	<u>118,133</u>	<u>1,225,075</u>

5. Commercial trading operations

Lyric Hammersmith Enterprises Limited

The wholly owned trading subsidiary Lyric Hammersmith Enterprises Limited, incorporated in England and Wales, pays all its profits to the charitable company by Gift Aid. Lyric Hammersmith Enterprises Limited manages catering, hires and events at the Lyric Hammersmith Theatre.

The company owns the entire issued share capital of 2 ordinary shares of £1 each. A Summary of the trading results is shown below.

Summary profit and loss account:

	2021 £	2020 £
Turnover	76,324	958,045
Other operating income	88,661	7,619
Interest received	60	850
Cost of sales	(8,371)	(806,397)
Administration expenses	(103,109)	(106,936)
Management fees	(53,565)	(32,286)
Net profit	-	20,895
Amount gifted to charity	-	(20,895)
Profit retained in the subsidiary	-	-

The assets and liabilities of the subsidiary at 31 March 2021 were:

Current assets	347,205	382,785
Creditors: amounts falling due within one year	(347,203)	(382,783)
Total net assets	<u>2</u>	<u>2</u>
Profit and loss account	-	-
Aggregate share capital and reserves	<u>2</u>	<u>2</u>
Total funds	<u>2</u>	<u>2</u>

Lyric Hammersmith Worldwide Limited

The wholly owned trading subsidiary Lyric Hammersmith Worldwide Limited, incorporated in England and Wales provides production services to Lyric Theatre Hammersmith Limited.

The company owns the entire issued share capital of 1 ordinary share of £1. A Summary of the trading results is shown below.

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2021

Summary profit and loss account:

	2021 £	2020 £
Turnover	32,327	1,935,273
Cost of sales	(38,472)	(2,193,102)
Net profit/(loss)	(6,145)	(257,829)
Taxation	6,145	257,829
Profit retained in the subsidiary	-	-

The assets and liabilities of the subsidiary at 31 March 2021 were:

Current assets	6,145	257,829
Creditors: amounts falling due within one year	(6,144)	(257,828)
Total net assets	1	1
Profit and loss account	-	-
Aggregate share capital and reserves	1	1
Total funds	1	1

6. Expenditure on activities for raising funds

	2021 £	2020 £
Trading companies staff costs	93,844	541,864
Trading companies other costs	16,531	411,919
Fundraising staff costs	162,629	89,295
Other direct fundraising costs	3,554	84,328
Support costs (note 8)	201,771	351,451
	478,329	1,478,857

7. Charitable activities

	Activities undertaken directly £	Support costs £	Total 2021 £
Theatre productions	1,166,207	850,833	2,017,040
Young People's programme	233,847	170,609	404,456
	1,400,054	1,021,442	2,421,496
			<i>Total 2020 £</i>
Theatre productions	3,692,211	1,188,241	4,880,452
Young People's programme	438,348	133,886	572,234
	4,130,559	1,322,127	5,452,686

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2021

8. Support costs

	Charitable activities £	Cost of raising funds £	Total 2021 £
Staff costs	187,784	37,094	224,878
Building costs	164,663	32,527	197,190
Administration costs	205,990	40,690	246,680
Depreciation	438,530	86,625	525,155
Irrecoverable VAT on overheads	8,636	1,706	10,342
Governance costs:			
Audit fees	15,004	2,964	17,968
Legal fees	835	165	1,000
	<u>1,021,442</u>	<u>201,771</u>	<u>1,223,213</u>
			<i>Total</i> <i>2020</i> <i>£</i>
<i>Staff costs</i>	<i>226,431</i>	<i>60,191</i>	<i>286,622</i>
<i>Building costs</i>	<i>353,939</i>	<i>94,085</i>	<i>448,024</i>
<i>Administration costs</i>	<i>242,833</i>	<i>64,550</i>	<i>307,383</i>
<i>Depreciation</i>	<i>415,019</i>	<i>110,322</i>	<i>525,341</i>
<i>Irrecoverable VAT on overheads</i>	<i>69,234</i>	<i>18,403</i>	<i>87,637</i>
<i>Governance costs:</i>			
<i>Audit fees</i>	<i>14,023</i>	<i>3,728</i>	<i>17,751</i>
<i>Legal fees</i>	<i>648</i>	<i>172</i>	<i>820</i>
	<u><i>1,322,127</i></u>	<u><i>351,451</i></u>	<u><i>1,673,578</i></u>

Support costs are allocated on the basis of the relative proportion of direct costs incurred.

9. Taxation

	2021 £	2020 £
Domestic current year tax		
UK Corporation Tax	(6,145)	(257,829)
	<u>(6,145)</u>	<u>(257,829)</u>

Income from UK Corporation Tax relates to a credits for Theatre Tax Relief.

10. Staff costs and directors' remuneration

	2021 £	2020 £
Salaries and wages	1,557,683	2,277,217
Employers' National Insurance contributions	131,657	181,813
Employers' pension contributions	37,385	49,648
	<u>1,726,725</u>	<u>2,508,678</u>

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2021

These costs are included as follows:

Activities for raising funds	256,473	631,159
Theatre productions	1,044,985	1,342,863
Young People's programme	200,389	248,034
Support costs	224,878	286,622
	<u>1,726,725</u>	<u>2,508,678</u>

The average number of employees during the year was as follows:

	2021	2020
Full time	39	47
Part time and casual	43	65
	<u>82</u>	<u>112</u>

The number of full time equivalent employees was 53 (2020: 76) in the following categories:

Activities for raising funds	10	23
Theatre productions	31	39
Young People's programme	6	7
Support activities	6	7
	<u>53</u>	<u>76</u>

Redundancy and termination payments totalling £32,787 are included within salaries and wages.

One employee's total employee benefits fell within the range of £70,001-£80,000 and one within the range of £90,001-£100,000 (2020: two within the range of £70,001-£80,000).

Key management personnel comprise the Senior Management Team: Artistic Director, Executive Director, Senior Producer, Director of Young Lyric, Director of Communications and Culture, Commercial Director, Director of Development, Director of Finance and Resources and Head of Production. The total employee benefits of the key management personnel were £466,021 (2020: £480,769).

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2021

11. Tangible fixed assets

All assets relate to the charitable company and are used for charitable purposes.

	Leasehold improvements £	Equipment and furniture £	Total £
Cost			
At 1 April 2020	12,808,851	2,170,784	14,979,635
At 31 March 2021	12,808,851	2,170,784	14,979,635
Depreciation			
At 1 April 2020	4,141,339	1,995,589	6,136,928
Charge for the year	468,471	56,684	525,155
At 31 March 2021	4,609,810	2,052,273	6,662,083
Net book value			
At 31 March 2021	8,199,041	118,511	8,317,552
At 31 March 2020	8,667,512	175,195	8,842,707

Legal charges exist over the long-term leasehold properties to secure the interests of Arts Council England, which funded their redevelopment.

12. Investments

	2021 £	Group 2020 £	2021 £	Company 2020 £
Investment in subsidiary undertakings	-	-	3	3

Investments are included at cost and are unlisted. In the opinion of the directors the market value of the investment is not materially different from the cost.

	Number of shares	% of issued share capital	Cost of shares
Lyric Hammersmith Enterprises Limited (note 5)	2	100%	2
Lyric Hammersmith Worldwide Limited (note 5)	1	100%	1

13. Debtors

	2021 £	Group 2020 £	2021 £	Company 2020 £
Trade debtors	52,315	97,448	16,973	67,751
Subsidiary undertakings	-	-	319,659	541,818
Other debtors	24,797	339,104	17,166	80,889
Prepayments	35,318	17,939	35,318	5,490
Accrued income	128,547	61,846	128,547	61,846
	<u>240,977</u>	<u>516,337</u>	<u>517,663</u>	<u>757,794</u>

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14. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	114,377	171,893	113,890	158,392
Subsidiary undertakings	-	-	-	8,687
Taxation and social security	11,038	73,051	11,038	38,560
Other creditors	37,898	64,912	16,298	49,596
Accruals	286,508	258,523	283,507	231,252
Deferred income	174,957	357,251	166,356	348,650
	<u>624,778</u>	<u>925,630</u>	<u>591,089</u>	<u>835,137</u>

15. Restricted funds

		31 March 2020	Net incoming /(outgoing)	Transfers	31 March 2021
		£	£	£	£
Capital grants – extension 2004	(1)	1,099,684	(91,622)	-	1,008,062
Young People's fund	(2)	-	77,366	-	77,366
Capital project 2015	(3)	6,672,141	(286,351)	-	6,385,790
Capital project 2018	(4)	620,018	(58,158)	(22,475)	539,385
Restricted activity fund	(5)	-	219,090	-	219,090
		<u>8,391,843</u>	<u>(139,675)</u>	<u>(22,475)</u>	<u>8,229,693</u>

- (1) The Capital grants – extension 2004 fund relates to the extension built in 2004 and represents fixed assets. The movement on the fund represents depreciation charges.
- (2) The Young People's fund represents income received to support young people's activity and the related expenditure. The balance at 31 March 2021 represents income received toward activities to be undertaken in 2021-22.
- (3) The Capital project 2015 fund represents amounts received for the building of the Reuben Foundation Wing. This fund represents fixed assets and funds allocated to supporting our work with young people. The movement on the fund represents depreciation charges.
- (4) The Capital project 2018 fund relates to the refurbishment of the auditorium and Studio in 2018 and represents fixed assets. The movement on the fund represents depreciations charges; the transfer of £22,475 represents the return of unspent funds which had been transferred from the Building capital reserve fund in the year ending 31 March 2019.
- (5) The Restricted activity fund represents income received to support specific charitable activities and the related expenditure. The balance at 31 March 2021 represents income received toward activities to be undertaken in 2021-22.

		31 March 2019	Net incoming /(outgoing)	Transfers	31 March 2020
		£	£	£	£
Capital grants – extension 2004	(1)	1,191,306	(91,622)	-	1,099,684
Young People's fund	(2)	30,000	-	(30,000)	-
Capital project 2015	(3)	6,958,491	(286,350)	-	6,672,141
Capital project 2018	(4)	677,908	(57,890)	-	620,018
		<u>8,857,705</u>	<u>(435,862)</u>	<u>(30,000)</u>	<u>8,391,843</u>

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16. Unrestricted funds

		31 March 2020 £	Net incoming /(outgoing) £	Transfers £	31 March 2021 £
Designated funds					
Building emergency reserve	(1)	100,000	-	-	100,000
Building capital reserve	(2)	398,802	-	261,198	660,000
New building 2015	(3)	536,967	(62,404)	-	474,563
Roof garden reserve	(4)	19,249	(19,249)	-	-
Fixed asset fund	(5)	27,258	(7,372)	-	19,886
Programme development fund	(6)	151,020	-	48,980	200,000
Organisational development fund	(7)	25,001	-	-	25,001
Green fund	(8)	25,000	-	-	25,000
Next generation fund	(9)	100,297	-	-	100,297
Re-opening fund 2021	(10)	-	-	565,000	565,000
Total designated funds		1,383,594	(89,025)	875,178	2,169,747
Other unrestricted funds					
General funds	(11)	428,482	972,656	(852,703)	548,435
Total unrestricted funds		1,812,076	883,631	22,475	2,718,182

- (1) The Building emergency reserve fund provides funds for emergency repair and replacement of essential plant and equipment.
- (2) The Building capital reserve fund provides funds for the necessary replacement and renewal of equipment, fixtures and fittings and match funding for larger capital investment in the building in the next one to five years. During the year a transfer of £238,723 was made from General funds to bring the fund within the range identified by the Trustees in their Reserves policy, and £22,475 was returned from unspent funds previously transferred to the Capital project 2018 fund.
- (3) The New building 2015 fund represents the net book value of fixed assets funded from the Building capital reserve fund during the building of the Reuben Foundation Wing. The movement on the fund represents depreciation charges.
- (4) The Roof garden reserve fund represents the net book value of gifted assets from Hammersmith London in 2009, which was transferred from restricted funds when received. The movement on the fund represents depreciation charges; the useful life of the Roof Garden was 12 years, hence the assets have now been fully depreciated and the fund expended.
- (5) The fixed asset fund represents the net book value of other tangible fixed assets. The movement on the fund represents depreciation charges.
- (6) The Programme development fund represents an amount designated by the Trustees to support the future development of the artistic programme. The Trustees expect this fund will be fully spent within the three years after the theatre re-opens in 2021. A transfer of £48,980 was made from General funds to bring the fund to the level identified by the Trustees in their Reserves policy.
- (7) The Organisational development fund represents an amount that the Trustees have designated to invest in planned organisational development work to support the future growth of the Lyric over the next one to three years.
- (8) The Green fund represents an amount that the Trustees have designated, from savings on utilities, for future investment in projects that support the Lyric's environmental sustainability and work towards carbon net zero. The Trustees expect to spend this fund within the next two years.
- (9) The Next generation fund represents an individual donation, which has been designated by the Trustees to support our work with young people over the next four years.
- (10) The Re-opening fund 2021 was designated by the Trustees during the year to recognise the significant amount of income received toward re-opening the building and resuming normal activities after the coronavirus pandemic. A total of £565,000 was transferred to the fund, which is expected to be fully spent on charitable activities in 2021-22.
- (11) General funds represent the Charity's free reserves; a total of £852,703 was transferred to designated funds during the year as detailed above.

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		31 March 2019 £	Net incoming /(outgoing) £	Transfers £	31 March 2020 £
<i>Designated funds</i>					
Building emergency reserve	(1)	498,802	-	(398,802)	100,000
Building capital reserve	(2)	-	-	398,802	398,802
New building 2015	(3)	599,370	(62,403)	-	536,967
Roof garden reserve	(4)	38,499	(19,250)	-	19,249
Fixed asset fund	(5)	186	-	27,072	27,258
Programme development fund	(6)	151,020	-	-	151,020
Organisational development fund	(7)	37,355	-	(12,354)	25,001
Green fund	(8)	25,000	-	-	25,000
Next generation fund	(9)	100,297	-	-	100,297
Total designated funds		1,450,529	(81,653)	14,718	1,383,594
<i>Other unrestricted funds</i>					
General funds	(11)	498,480	(85,280)	15,282	428,482
Total unrestricted funds		1,949,009	(166,933)	30,000	1,812,076

17. Analysis of group net assets between funds

	Unrestricted funds		Restricted funds	Total
	General funds	Designated funds		2021
	£	£	£	£
Fixed assets and investments	-	494,449	7,823,103	8,317,552
Current assets	1,173,213	1,675,298	406,590	3,255,101
Creditors	(624,778)	-	-	(624,778)
	548,435	2,169,747	8,229,693	10,947,875
	Unrestricted funds		Restricted funds	Total
	General funds	Designated funds		2020
	£	£	£	£
Fixed assets and investments	(1)	583,474	8,259,234	8,442,707
Current assets	1,354,113	800,120	132,609	2,286,842
Creditors	(925,630)	-	-	(925,630)
	428,482	1,383,594	8,391,843	10,203,919

18. Contingent lease obligations – charity and group

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Land and buildings				
One year	40,000	40,000	40,000	40,000
Two to five years	160,000	160,000	160,000	160,000
More than five years	4,640,000	4,680,000	4,640,000	4,680,000
	4,840,000	4,880,000	4,840,000	4,880,000

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19. Related party transactions

No trustees nor any persons connected with them have received remuneration or expenses (2020: nil).

During 2020-21 trustees made donations to the Charity totalling £16,483 (2020: £15,805).

At 31 March 2021 the following amounts were owed to the Charity by its subsidiary companies:

- Lyric Hammersmith Enterprises Limited: £313,514 comprising management fees for 2018-19 to 2020-21. The subsidiary has agreed to repay the majority of this balance during 2021-22 with any outstanding balance to be converted into a loan or additional share capital to cover the subsidiary's operating cashflow requirements.
- Lyric Hammersmith Worldwide Limited: £6,144 comprising payment for production services.

Transactions between Lyric Theatre Hammersmith and its subsidiaries are detailed in note 5.

20. Comparative consolidated statement of financial activities for the year ended 31 March 2020

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
<i>Income from:</i>					
Donations	3(a)	148,639	-	268	148,907
<i>Charitable activities</i>					
Theatre & Young					
People's Activity	2	3,058,143	-	-	3,058,143
Grants	3(b)	1,325,000	-	306,193	1,631,193
Other trading activities	4	1,225,075	-	-	1,225,075
Interest received		7,601	-	-	7,601
Total income		5,764,458	-	306,461	6,070,919
<i>Expenditure on:</i>					
Raising funds	6	1,478,857	-	-	1,478,857
Charitable activities	7	4,628,710	81,653	742,323	5,452,686
Total expenditure		6,107,567	81,653	742,323	6,931,543
<i>Net income/(expenditure) before taxation</i>		<i>(343,109)</i>	<i>(81,653)</i>	<i>(435,862)</i>	<i>(860,624)</i>
Taxation	9	257,829	-	-	257,829
Transfers between funds	15,16	15,282	14,718	(30,000)	-
Net movement in funds		(69,998)	(66,935)	(465,862)	(602,795)
<i>Reconciliation of funds:</i>					
Total funds brought forward		498,480	1,450,529	8,857,705	10,806,714
Total funds carried forward		428,482	1,383,594	8,391,843	10,203,919